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Kane In Your Corner: Christie administration officials violating environmental remediation rules

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A Kane In Your Corner investigation finds Christie administration officials are violating the rules in awarding environmental remediation projects

EDISON - A **Kane In Your Corner** investigation finds Christie administration officials are violating the rules in awarding environmental remediation projects and could be putting taxpayers' money at risk in the process.

The administration aggressively awards cleanup projects to private companies in the name of saving taxpayers money. But Kane In Your Corner finds the New Jersey Department of Environmental Protection is not vetting those companies as required by state law. The NJDEP has allowed one politically connected firm, Soil Safe, to operate for years under a financial self-guarantee - posting no bonds or escrows to protect taxpayers - despite the fact that it has serious financial issues that should have disqualified it from self-guaranteeing its work.

Christie administration officials recently renewed Soil Safe's permit for a facility in Gloucester County and is backing the company's bid for a huge remediation project in Carteret. "Let's say something happens to the company and they have to walk away," wonders NY/NJ Baykeeper Debbie Mans. "Who's going to be on the hook to ultimately clean that

up?"

In its most recent self-guarantee, Soil Safe claimed a total net worth of \$19 million. But according to state law, the NJDEP is only supposed to consider an applicant's "tangible net worth," which measures what a company could fetch if it had to be liquidated. And six different financial experts contacted by Kane In Your Corner all concluded that in tangible terms, Soil Safe is worth far less than nothing at all. Forensic accountant Sean Raquet, of Bederson, an accounting firm in South Orange, places the company's tangible net worth at "approximately negative \$61 million."

The issue, according to the financial experts, is that Soil Safe's biggest purported asset, at nearly \$80 million, is something known as "Goodwill," which by definition is intangible. Raquet says that \$80 million must be subtracted from the \$19 million in net worth Soil Safe claims, because "Goodwill would not be an asset that could be sold and converted to cash."

In response to **Kane In Your Corner's** inquiries, NJDEP spokesman Larry Ragonese says the agency "is currently reviewing and re-evaluating the financial self-guarantee... The Department would rectify the matter if needed." As for why the state does not require applicants to provide their tangible net worth, as required by law, Ragonese says that is under review as well and the application may be changed. The NJDEP also says that if the Carteret project moves forward, the property owners rather than Soil Safe would be responsible for any financial self-guarantees.

News 12 New Jersey reached out to Soil Safe for comment but received no response

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